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TUESDAY,  
JUNE 5, 1956

# THE JERUSALEM POST

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## Britain Eases Colonial Trade With China

LONDON, Monday (UPI).— Britain disclosed today that she has given her colonies the green light to ship certain embargoed goods to China despite the Western restrictions on strategic goods.

Foreign Office spokesmen disclosed the decision after the Government of Malaya had announced that it is lifting the ban on shipments of natural rubber.

The British thus extended its overseas possessions the same exceptions procedure which they launched at home after failure to reach agreement with the U.S. on relaxing the embargo.

But the Foreign Office flatly refused to list what goods will be permitted China either under "exceptional" terms restricted to items allowed Russia under the separate East European strategic embargo.

In New York, meanwhile, news of the lifting of the Malayan embargo on rubber shipments to China touched off a speculative buying rush in rubber futures. Prices shot up a little more than a cent a pound before the market levelled off a little in mid-morning dealings.

## U Nu's Resignation Expected Today

RANGOON, Monday (UPI).— Premier U Nu will announce his resignation before a general meeting of his Anti-Fascist People's Freedom League (A.P.F.L.) tomorrow, reliable but unofficial sources said today.

There was still no official comment on reports that U Nu was preparing to step down and be replaced by Defense Minister U Ba Swe. But the fact that U Nu had scheduled a press conference for tomorrow to break the news, first published in yesterday's newspaper.

Details of U Nu's projected resignation filtered through the official barrier today, and informed sources agreed that U Ba Swe would probably take over the old Cabinet as it is now. Internal Cabinet reorganization, however, was likely to be altered so that three Deputy Prime Ministers would be appointed, each having authority over a group of Ministers and their departments, informed sources said.

## Syrian President Seeks New Premier

President Shukri al-Kuwatly of Syria yesterday began consultations with a number of former Prime Ministers and leading Syrian statesmen in an effort to solve the crisis which followed in the wake of the resignation of Said al-Ghazal's Cabinet on Saturday.

Among those received by the President were Sabri As-Salhi, President of the National Party; Mohamed Amin Al-Shayeb, leader of the Independent Bloc in Parliament, and Dr. Nasim el-Kudsi, Speaker of the Parliament and a member of the A-Shab'a Party, which has 34 out of the 144 seats in the House.

The President also received the leader of the Syrian A-Shab'a Party, Rusid Kinyaly.

Meanwhile, Reuters reports from Damascus that the immediate cause of the crisis in Syria is believed to be a dispute within the Cabinet over a proposed ban on wheat exports to France and French troops in Algeria.

Premier Ghazi was said to have come under strong criticism for failing to take action against a Socialist group believed to be mainly responsible for student disturbances on Saturday outside the Ministry of National Economy, against wheat being sent to France and Algeria.

The ships left yesterday with 2,400 tons of wheat. Another 7,800 tons could not be loaded because of a protest strike by stevedores, while yesterday 3,100 tons bound for France were stopped by Government order in the port of Latakia.

If a ban is placed on further shipments of wheat and other goods to France, Syria stands to lose one of her most important export markets.

Last year, Syria enjoyed a favourable trade balance of about £100 million with France. In 1954/55 it was £100 million.

(REUTERS, Cairo Radio)

## Stalin Sought End Of Molotov, Mikoyan

WASHINGTON, Monday (Reuters).— The State Department today released a 25,000-word document, said to be the text of the speech attacking the late Joseph Mr. Nikita Khrushchev, on February 24 this year.

In the speech, Mr. Khrushchev, speaking to top Communist Party leaders, accused Stalin of murder, mass extermination of Soviet citizens and setting himself up as a "superman" idol.

A statement accompanying the document said the State Department received from a confidential source a copy of a document which purports to be a version of Mr. Khrushchev's speech at a session of the 20th Party Congress.

The statement added, "The Department of State does not know for the authenticity of the document" and in releasing it intends that the document speak for itself.

Mr. Khrushchev said, "It is not excluded that had Stalin remained at the helm for another several months, Comrades Molotov and Mikoyan would probably not have survived my visit to Moscow."

He often stated that the Political Bureau members should be replaced by new ones.

"We can assume that this was the main design for the future annihilation of the old Political Bureau members in this way cover up all the shameful acts of Stalin which we are now considering."

Mr. Khrushchev introduced his attack on Stalin by quoting the misgivings of V. I. Lenin about Stalin. The Party Secretary said Lenin had made a completely correct characterization of Stalin when he said that Stalin was "excessively rude" and did not have a proper attitude towards his comrades and that he was capricious and abused his power.

Mr. Khrushchev said Stalin had originated the concept of "enemy of the people" during the struggle against the Trotskyite faction of the Communist Party in 1928-1930. Stalin, he added, had physically annihilated many innocent persons on these grounds.

The portion of the speech had come to light before, but the version released here today went beyond the language originally attributed to Mr. Khrushchev.

The State Department said that the document "is understood to have been prepared for the guidance of the Party leadership of a party outside the boundaries of the party outside the Soviet Union."

Mr. Khrushchev is quoted as having said, "Arbitrary behaviour, arbitrary, unencouraged and permitted arbitrary in others. Mass arrests and deportations, many thousands of persons executed without trial and without normal investigation created conditions of insecurity, fear and even desperation."

At one point, Mr. Khrushchev quoted Stalin, saying, "After all, Hitler is Hitler and there will be no more Hitler."

At another point, Mr. Khrushchev said that "we must not let the cult of the individual decisively end for all."

At one point, Mr. Khrushchev quoted Stalin, saying, "We have nearly 100 million people in our country and there will be no more Hitler."

The Communist Party chief added, "We have nearly paid for this shaking of the little finger. This statement reflected Stalin's mania for greatness. You see to what Stalin's mania for greatness leads."

Mr. Khrushchev said that no break in relations with Yugoslavia should have occurred. The liquidation of the abnormal relationship with Yugoslavia was done in the interest of the whole camp of Socialism.

Another table in this report indicates that the part of taxes and compulsory payments in relation to the total national output increased from 14.3 per cent in 1950 to 18.3 per cent in 1954. Whereas the gross local output increased fourfold between 1950 and 1954, the revenue from taxes and compulsory payments increased five and a half times.

Mr. Sharaf pointed to a table comparing income tax declaration with the actual assessment, and gave the example of four taxpayers who declared a total income of IL 4,400 while the total assessment of their income amounted to IL 26,000. Another taxpayer declared an income of IL 2,700 in 1952/3. His income was assessed at IL 40,000.

The report indicated that the proportion of taxed and compulsory payments out of the total budgetary income assessment was 4.2 per cent in 1948/49 and 4.8 per cent in 1954/55.

On the other hand, the proportion of revenue from foreign sources increased from 1.8 per cent of total budgetary revenue in 1948/49 to 3.2 per cent in 1954/55. External imports dropped from 22.4 per cent of the budgetary revenue in 1948/49 to 4.7 per cent in 1954/55, largely due to the relative and absolute increase in tax revenue.

The real value of Income Tax revenue increased from a little over IL 100 to IL 22.2m. The income from general customs did not increase to the same extent. This income rose from IL 100 in 1948/49 to IL 9.5 in 1954/55.

(REUTERS, Cairo Radio)

## State Revenue Is Up Tenfold

The State's total revenue in the budget year 1954/55 was 10 times higher than in the budget year 1948/49, at the establishment of the State. These seven years, the income from taxes rose from IL 15.9m. to

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(REUTERS, Cairo Radio)

## APPROVE JORDAN POTASH FUNDS

The Jordan Cabinet last night authorized the Minister of National Economy to sign the initial contract for the establishment of the Arab Potash Company at the north end of the Dead Sea, according to ANA. In addition to Jordan, Egypt, Iraq, the Le-

### No Moscow Comment

MOSCOW, Monday (UPI).— A Foreign Ministry spokesman today refused to comment on the publication by the U.S. State Department of Mr. Nikita Khrushchev's speech attacking Stalin.

In the speech, Mr. Khrushchev, speaking to top Communist Party leaders, accused Stalin of murder, mass extermination of Soviet citizens and setting himself up as a "superman" idol.

A statement accompanying the document said the State Department received from a confidential source a copy of a document which purports to be a version of Mr. Khrushchev's speech at a session of the 20th Party Congress.

The statement added, "The Department of State does not know for the authenticity of the document" and in releasing it intends that the document speak for itself.

Mr. Khrushchev gave the text of the speech as "an example of the vile provocation of falsification and of criminal violation of revolutionary legality" used by Stalin in his speech.

The Foreign Ministry spokesman said the text of the speech would not be published in the Soviet Union. Mr. Bychev told journalists he had come to talk about President Tito's visit "and nothing else." He did not seem particularly perturbed about the Washington publication.

### Tito Hails New Bond with USSR

MOSCOW, Monday (Reuters).— The Yugoslav President, Marshal Tito, said today that a new bond was formed between the two countries.

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## Heletz 5 Gives Promise of Oil At 5,000 Feet

REHOVOT, Monday.— Oil-soaked cuttings were brought to the surface of Heletz 5 yesterday, from a depth of 4,940 feet.

The prospectors, Lapidot and Israeli Oil Prospecting Companies, decided today to deepen the well by another 100 feet to reach the second layer of oil found in other parts of the Heletz field a few hundred yards from the new oil strike.

A Schlumberger test to determine its thickness will be held after the second layer is contacted. This afternoon, the bit reached 5,710 feet. On completion of drilling, the site will be taken to Heletz 7, the site of which has been prepared.

The broadcast also reported the arrival in Cairo last night of a Czechoslovak trade mission.

**Social & Personal**

Mr. and Mrs. Shabot yesterday entertained to lunch Dr. Chaim Soslov, Dr. Florian Kacalsky, Mr. and Mrs. Lazar Zvi Raziel, Mr. and Mrs. Alfredo Kora, Mr. and Mrs. Julius Roca, Mr. and Mrs. Moshe Glasser, Mr. and Mrs. Ya'akov Hodas, Mrs. Ya'akov Tsur and Mr. David Haconen, M.K.

The Minister for Foreign Affairs, Dr. Moshe Sharett, is to participate in a symposium on political, Latin American and literary aspects of Latin America to be held in Beit Hillel, Rehov Balfour, Jerusalem, at 8:30 this evening under the auspices of the Central Institute for Israeli-Latin-American Relations. Other participants are Professor Efraim Katzalsky and Mr. Yitzhak Shenhar. Judge Gad Frumkin will preside.

The Israeli Minister to Turkey, Mr. Maurice Fisher, has arrived in Jerusalem for a private visit and is staying at the Eden Hotel.

Professor Owen Lattimore, Professor of International Relations at Johns Hopkins University, and Dr. Clara Mayer, Dean, New School for Social Research, New York visited the Hebrew University yesterday, and were shown around the new campus. Prof. Lattimore will speak at "Asia Ten Years After the War," under the joint auspices of the Eliezer Kaplan School of Economics and Social Sciences — The Hebrew University and the Israel Political Sciences Association, at the Ratisbonne Building, Hall 73, at 8:30 today.

Mr. Yitzhak Rokach, of the Cultural Planning Board, will speak on "The Future Industry in Israel" at 7:30 tonight at a meeting of the Ramat-Gan Rotary Club in Cafe Atzmaut.

The Wizo Organization, Jerusalem Branch, is opening a membership campaign tomorrow. (Advt.)

The Comer Theatre is giving a gala farewell party for the famous comedian, Vic Oliver, on Wednesday, June 6, at 10 p.m., at the Dau Club, Tel Aviv. For table reservations phone 3111, Tel Aviv. (Advt.)

**ISAAC HEINEMANN****IS 80 TODAY**

Professor Isaac Heinemann, leading authority on Hellenistic studies, is 80 today. Born in Frankfurt-on-Main, he was a professor at the Rabbinical Seminary and the University of Breslau, and since 1930, editor of the famous "Monatschrift für Geschichts- und Wissenschaft des Judentums." He lives in Jerusalem.

Last year, he was awarded one of the Israel Prizes for Jewish Studies. His numerous publications include an edition of the works of Philo of Alexandria, "Darkhei Ha-agadah," and "Ha-Hinukh Be-Sifrut Yisrael," the second volume of which has just appeared.

**ARGENTINE ENVOY****SEES SHARETT**

The Foreign Minister yesterday received the Argentine Ambassador, Dr. Gregorio Topovsky. The meeting took place at the Ambassador's request.

**CORRECTION**

Mr. Baruch Rubenstein, of the Jewish Agency's Youth and Hechalutz Department, has received a Morris Katz scholarship and not as reported on Friday.

**JERUSALEM**

AS 1.0, 7.30 and 8.30 p.m. ARNON: Never Say Goodbye, 4th week. EDEN: The Mausoleum, East of Eden, 2nd week. GIGION: The Man Who Never Was. GIGION: The Ball of Seven. GIGION: Illegal, 1st week. RON: The Divided Heart, 2nd week. STUDIO: The Great Sea, 2nd week. TEL AVIV: "Judea". ZACHARIAH: The Game of Love

**TEL AVIV**

AS 1.0, 7.30 and 8.30 p.m. ALLENBY: Carmen Jones, 4th week. ARNON DAVID: "La Peste de Cachorro", 4th week. ESTHER: Interpreted Melody, 2nd week. MOGRAM: The Brewing Version, 2nd week. OPHIR: "The Last Days", 4th week. ORION: East of Eden, 11th week. SENDEROTH: Desire, 11th week. TABAR: Down 2 Dark Streets, 2nd week. TSCHELYTER: Picnic, 11th week. TANOR: The Bridges at Toko-Ri.

**HAIFA**

MAT: Second Coat. GRAM: Azur Coat. AMPHITHEATER: Oak, 2nd week.

**GOLDA**

"Les Amants du Tage", 4th week. ARNON: Oh, Rosamunda, 2nd week. EDEN: Violent Suspects, 2nd week. SHOHET: The Company she Keeps. MATTHEW: Desert Song

SHOHET: Jerusalem in Paris, 2nd week. ATOMI: Barbra, 2nd week. TEL AVIV: Via Partizione, 2nd week. GAL: Oh, The Company she Keeps. MATTHEW: Desert Song

EMERGENCY PHARMACEUTICALS: Nach Jaffa, 2nd week. MAZAR: Yehuda, 2nd week. Nefesh: Moche, 2nd week. TEL AVIV: Magen David, 2nd week. TEL AVIV: "The Last Days", 4th week. TANOR: "The Last Days", 4th week. TANOR: "The Last Days", 4th week.

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**LAW REPORT**

*The Jerusalem Post*  
June 5, 1956

In the Supreme Court  
Sitting as Court  
Of Criminal Appeals  
Before Justice Landau  
and Berinson.  
Eliezer Brandwein, Appellant,  
v. The Attorney General, Re-  
spondent (Cr. A. 20/56)  
No Police Instigation

In Bank Robbery  
The Supreme Court dis-  
missed an appeal against a  
sentence given by Justice  
Landau and Berinson.

The appellant, Eliezer

Brandwein, was charged in the  
Jerusalem District Court on Jan-  
uary 11, 1956 (Cr. C. 75/55).

The appellant, Eliezer

Brandwein, was charged in the  
Jerusalem District Court with  
armed robbery and with being  
in unlawful possession of a re-  
volver and three bullets. He  
admitted that he had been  
involved in a robbery com-  
mittee with two men, Aharoni and

Albas, to rob the Gestalt  
branch of the Bank Leumi, but  
alleged that he had no intention  
to participate in the robbery  
when he was given the task.

Justice Landau said that the  
police had provided Aharoni  
with the information which  
led to the capture of Aharoni  
and the appellant. But the contact  
with the police had been made after  
the crime was committed, and not for  
the purpose of inspiring the  
conspiracy — as rightly held  
by Judge Halevi. In so doing  
they had acted legitimately.

It is possible, Justice Landau  
said, that the police could have  
interfered in the course of the  
robbery, but as far as the  
police wished to trap the  
offender, it was reasonable.

The future of the Saar

was under pressure from the  
Saar Government to cut down  
deliveries to France by

the Warndt (Saar) min-

es, and the German Govern-  
ment had agreed to the construction  
and upkeep of a canal which will  
give the French steel interests  
cheap inland waterway freight  
to the Rhine coal they need.

The Moselle-Rhine project  
had been opposed by the Ger-  
mans because it would offer  
dangerously competitive  
transport facilities. But the  
German Government has agreed  
in principle, and only details  
remain to be settled.

At today's talks the two  
countries were also believed to  
have discussed general dis-  
armament, German unification  
and the Franco-Soviet  
treaty of Moscow last month.

France recognized that the  
Saar territory with Germany

was inevitable after the  
war, and the Saar

was annexed to Germany.

Mr. Carmer appeared for

the appellant, Mr. Bach, As-  
sistant State Attorney, for the  
respondent.

**Judgment**

The reasoned judgment of  
the Supreme Court was deliv-  
ered by Justice Landau who  
was unable to agree with  
Judge Halevi's rejection of  
a fabrication of the appellee's  
claim to have acted as a  
police agent.

As to the allegation that  
the conspiracy had been in-  
itiated by the police, Justice

Landau said that if this were  
true it would be a serious  
reprehensible act on the part of  
the police to incite a person  
to commit a crime in order to  
catch him red-handed it  
afterwards. For even in a  
case where the police con-  
vinced that the犯人 was  
capable of committing offences  
on his own initiative, the employ-  
ment of an agent provocateur  
is not the fit and proper  
way of preventing crime.  
But the allegation was not

**Custodian Not Liable  
To Owners, Court Rules**

The Custodian of Abandoned  
Property has no responsibility  
towards the owners of the  
property entrusted to him

Property is the subject of  
a suit in the Court of Civil  
Appeals, ruled recently reject-  
ing the appeal of a returned  
Arab resident against a decision  
of the Tel Aviv District Court.

Mr. Saad Mohammed Ha-  
dem had demanded IL 8,000 from

the Custodian for his services  
in the custody of the property  
of the deceased Arshad, son of  
Ahmed, who had died in 1926.

The law set up the Custodian  
as the owner in practice

of abandoned property auth-  
orized to sell or return it at his  
discretion. The Court found.

Justice Witkin, in his opinion, held that the best possible cast — Michael Redgrave as Eisenstein, Ludmilla Tcherina as Rosalinda, Anton Walbrook as the Bad Emperor and Mel Ferrer as the adverse section chief.

It is the music, too, its settings, deliberately artifi-  
cial, vary between Vien-  
nese Baroque and the Cho-  
colate Box. The film starts

up with self-conscious gaiety.

Later it enters its swing  
and an atmosphere

of Everett made real by the  
amusing cynicism of Anton

Walbrook, a bat of the Oc-  
cupation's shady side, swirls

into a long infectious finale.

To take "Oh, Rosalinda" the  
right way, you have got to

put yourself into a world  
where champagne must be

only called "bubbly."

Mr. Habash claimed that the  
plant and its equipment is  
worth at least IL 25,000. In the  
same hearing in the District Court  
came out that the official responsible  
for the sale of the property,  
Mr. Moshe Havatzelet, had  
brought his selling price on an  
estimate of the value of the  
property made by an assessor  
in the employ of the pur-  
chasers.

Mr. Habash claimed that the  
police had interfered in the  
negotiations between the  
parties, and that the  
police had been instrumental in  
the sale of the property.

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## Economic News from Abroad

**Changing Patterns of Boom**

The 30-per cent decline in car production has not yet basically affected the U.S. boom. Even the steel industry continues working at a near-capacity level, as smaller deliveries of sheet steel to car

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**THE idea expressed by Professor Abba Lerner in a series of articles in The Jerusalem Post last week is really simple but of revolutionary importance in the field of economic policy, in particular in this country. It transcends pure economics and is bound to occupy a pivotal position if and where a reappraisal of domestic politics takes place. Shown of its academic pretensions it could be seen as an assertion that by raising wages beyond certain limits it ought to the productivity of labour; i.e. output in relation to costs — trade unions harm the national economy.**

However, Prof. Lerner stated his tenet in this form several months ago when he emphasized that a general rise of money wages without a corresponding increase in production must inevitably lead to inflation with all its evil corollary effects, of which only one is that workers will be fooled out of the fruit of their victory on account of higher prices and profits.

The same argument he puts forward now is that in a country where wages (and most other payments) have been made inflation-proof by means of e-o-linking, excessive wage increases must lead to unemployment or cause existing unemployment to grow. This cannot be cured by monetary expansion, i.e., easier credits, public works, subsidies etc., because both wages and profits are too high for a proper functioning of the national economic body in its entirety, and some basic material resources stay idle.

Thus, such unemployment is not the result of a too low consumption standard which could be relieved by cutting prices, raising incomes or "pump priming" technique. On the contrary, it is the sequel of too much consumption on the part of the employed wage-earners — too much not in absolute terms, but in relation, first, to existing efficiency resulting in inflated costs, and second, to the growing volume of products. Thus a person in a seller's market with inflated profits is maintained with the unemployed left on the fringe of the national economy to bear the full brunt of the inevitable deficiency either in purchasing power, investment expenditure, etc.

Whoever belongs to the charmed inner circle has nothing to fear — neither inflation (wide e-o allowances and as a result a steady market), nor taxes (wide tax base), nor competition (wide cartels), nor controls (wide cartels), and let the devil take the rest of us and the common weal.

For all the "immigrants" to this country, none has taken root better than the six big fishpond breeders from Yugoslavia who were the ancestors of all the carp swimming in ponds throughout the country. These six parent fish have filled the present 38,000 dunams of ponds under cooperative and private ownership, which supply two-thirds of the local catch of fish.

Last year alone, 1,200 kilos per dunam, compared to 150 kilos 15 years ago, which is a world record.

This is only the average figure, and 350 kilos has been reached in some places. Over 7,000 tons of carp were produced last year by 47 breeders, giving an average yield of 40 kilos per person per annum. This production was almost three-quarters of the total fish output of Israel and a third of domestic fish consumption.

Despite its achievement, the industry has served as a constant target for critics. It was charged that it used too much foreign currency. Official figures show, however, that for each ton of carp the government provides \$190, which is less than \$200 per ton of imported fish.

Increased Efficiency

Efforts are being made to reduce the cost of feed and fertilizers (mixed into the ponds to ensure a constant temperature in the stock) by 40% by using new materials, such as local Haifa coke. Even though the cost of coke has risen, the cost of fish has been reduced for the last three years through increased efficiency. A small saving, though important in itself, is the replacement of oxygen cylinders by tanks to keep the fish alive while transporting them to market in banks.

Another charge is that fish ponds use valuable water which could be used for irrigation. The Ministry of Agriculture spokesmen claim however that ponds are situated only where there is an excess of water. As regards possible interference by taking water from the Negev irrigation project, it is replied that the project will take about 12 years to carry out, a period long enough to justify working the ponds and that meanwhile further sources of water supply will possibly be found.

To sum it up: the official economic policy can never be carried out by a Government that abdicates in the most vital function of regulating wages? And can the trade unions be left in the possession of their power without having a say in their responsibility? It is implied by the very nature of these questions that they can only be settled by a prolonged process of public discussion and political tug-of-war. But the time is gone when one could hope to settle in order to turn to practical politics. For it is there which will shape the practical policies of the immediate future.

Right now the emphasis is on

## Delek Doubles Turnover

By Our Economic Editor

HAVING doubled its turnover in 1954 — its third year of operation — the Delek company again doubled it in 1955, bringing total proceeds to ILR.31.5m. Of this, the company paid ILR.6m. to the Government for customs duty. Exports of crude oil to various kinds of fuel (including from different sources) and Currency Adjustment Funds (as compared with ILR.3m. in the previous year), have already been placed. Reworks, however, as a cushion against any slump tendencies. Consumers also continue to be confident and sales for most articles (except cars) are expected to reach the previous year's level due to the full employment and higher income brackets. The accumulation of inventories is slowing down, however, perhaps influenced by the tighter credit position.

### Delek's Budget

Cuts in the British Government budget amounting to some £100m. are expected to be announced shortly in order to offset the substantial supplementary cutaway which will be necessary to meet the needs of the oil industry. The increase in teachers' salaries and other items.

### Sugar Factory for Iraq

The Iraq Development Board has awarded the Deutsche Werke und Huettenbaugesellschaft a contract for erecting a sugar factory at Mosul. The plant is to cost over £2m. and to have a capacity of 35,000 tons. It is scheduled to start production in November, 1957.

### Turkey Trials to Reopen

Turkey is said to be making great efforts at last to settle her commercial debts to Western countries. These came to ILR.5m. at the end of 1954 and private trade creditors have been increasingly reluctant to continue shipments of goods to Turkey on credit. Oil companies, for example, are selling only against cash payments, having incurred losses of some £100m. Recently, a group of vital state ports for industrial machinery has been established to assist the Government in the payment of foreign exchange at a fixed date.

### Italy's Economic Progress

Italy's gross national product for 1955 was 9 per cent higher in monetary terms and 7 per cent in real terms than in 1954. Private consumption was up 4.4 per cent, while gross investments made up 16 per cent of the total national product. In agriculture, record crops were obtained as a result of greater use of fertilizers. Industrial production is about 10 per cent above the 1954 level and double the 1950 volume. The rate of Italy's production is significant: eight years ago the 2,000 ton target was called ludicrous, but last year output was 8,400 tons and at least 8,000 are projected for 1956. The natural gas production is increasing rapidly to 5,000 m. cu. ft. and in addition over 200,000 tons of oil were produced (in Sicily) and 17m. tons refined. Italy's exports rose 30 per cent in the past two years, double the rise in imports, and 1956 ended with an increase of 31.6m.

The financing of this rapid expansion must have been a formidable task, despite the fact that credit for stocks of crude and refined oil is provided generally on favourable terms. During the past two years, these items in Delek's balance sheets have increased almost ninefold

**Marketing Eased**

Problems connected with the marketing of locally produced oil have also been considerably eased by the very fact that fully-fledged national oil-marketing organization has been created even though it has not yet been decided whether Delek will be given any special status in this respect.

**Poland and U.S.**

The Committee has agreed to exhibit in the Fonsan Fair, as an experiment to find out what Israel can sell to the countries behind the Iron Curtain.

In America, a mammoth building is going up in Columbus Circle, New York, to house the largest oil fair to take place there, in which Israel will also take part. We will also exhibit in

the Milan Fair next year for the first time, and for the second time in the Nicosia Fair, in its new place in the modern conditions now prevailing in Cyprus. Following the fair at Cyprus last year, a large number of orders were received from countries, including Australia, who liked Israeli fashions.

**Fairs are becoming more popular everywhere in the world and more will take place this year than ever before.**

The Central Committee is kept busy trying to promote the idea of fairs among local industrialists, who are often sceptical about the need to exhibit their wares abroad at considerable cost. As fairs are expensive, in 1955, approximately ILR.200,000 was spent on exhibiting Israeli goods overseas, out of which ILR.70,000 was contributed by the Government while the rest was paid by industrialists. In 1956, a similar amount is likely to increase to ILR.100,000. This sum however does not include the American mobile exhibition. Some firms believe that direct advertising could achieve the same and more cheaply, at least for their goods. Others do not feel the need for fair publicity as they already have their established trade connections.

The fact is that not all Israeli exhibits were uniformly successful or popular. Some of them were poorly organized. Some hitches also occurred, e.g., the getting of the Israel pavilion in the Zagreb railway station before it ever saw the light. Nevertheless, participation in international fairs is an important factor in Israel's foreign trade.

The precipitate of our fools paradise will be enlarged, and those who argue that nothing short of catastrophe will force us into reform may be proven right.

**Fairs Committee**

The Committee for Fairs and exhibitions was founded two years ago, on the basis of the Manufacturers Association Committee, which has been in existence for 12 years.

One of the main activities of the Association is participation in the Cairo International Fair in 1945. It is composed of representatives of the Ministry of Commerce and Industry, the Foreign Ministry, the Ministry of Agriculture, the Histadrut, the Jewish Agency, the Chamber of Commerce, and the Manufacturers Association. It has a budget of ILR.500,000 a year. Forty per cent is contributed by the Government and the remainder by participants in the fair or exhibition. The Committee decides on participation in an exhibition or fair, after consultations with local manufacturers, who, after all, finance the main part of the costs, and subject to the approval of the Government's Foreign Trade Council.

**Interest to the housewife**

and officials declare that a small fair is not as a large one and that there is no justification for fishermen to charge more for larger ones since it costs them the same.

**Hasera Lacks Credits For Rapid Expansion**

THE 1955 budget of the Hasera Seed Growing and Supply Cooperative Society will total ILR.5m., the society's annual general meeting decided recently. ILR.1m. is earmarked for investments in the construction of an additional seed silo in Haifa and another one at Berurim in the South. Each will have a 4,000 ton capacity and will cost ILR.200,000 to build.

The society will also enlarge the area of its irrigated land by 2,000 dunams to 6,000 dunams at a cost of ILR.400,000. A cold storage company, owned jointly with the Jewish Agency, has already been established for storing seed potatoes. An additional store for 1,200 tons of seed potatoes will also be built at Berurim. So far up to 80 per cent of seed potatoes have been imported from England, but efforts are now being

made to supply them locally.

Plans also call for the purchase of additional machinery for the preparation of seeds for the Negev.

The meeting was told that the society was handicapped by a severe shortage of capital. The Ministry of Agriculture and the Bank of Israel will be asked to increase credits.

The society will also expand its activities in the field of research and development.

The breeders are not allowed to rest on their laurels and research on breeding never ceases. The main research station at Tzurim, Tzurim, near Zichron Ya'akov, a fine spacious centre which works in close contact with the fisheries laboratory of the Hebrew University. It contains laboratories, a library, aquariums, and a big array of 100 experimental ponds, long, narrow, rectangular ponds, various tests are made and new types of fish are tried out. One of the

factories have been offset by increased orders placed by the production goods industries. Plans for expenditure this year are 20 per cent above the 1955 record level which would make a total of ILR.35 billion. It is believed that this will provide a fillip for another upswing, the impact of increased inventories which has already been absorbed by the economy and large orders have already been placed. Reworks, however, as a cushion against any slump tendencies. Consumers also continue to be confident and sales for most articles (except cars) are expected to reach the previous year's level due to the full employment and higher income brackets. The accumulation of inventories is slowing down, however, perhaps influenced by the tighter credit position.

**Finance Increases**

At the same time, however, Debts and Debt Balances (including customers) also trebled from ILR.12m. to ILR.36m. and seem to have increased rapidly in comparison to turnover although the company has succeeded in escaping anordinate extension of credit sales and loans to customers. Fixed assets also rose by ILR.1.5m. (to ILR.8m.) by the end of 1955.

**The company maintains**

plants and tank farms in the three main cities (with storage capacity of 8,850 cu.m.), a fleet of 21 heavy and medium tank trucks, 20 delivery trucks and vans and 20 lorries. 200 lorries, distribution carts, as well as a set of 24 filling stations all over the country, to which 10 more are to be added in the course of 1956. Moreover, it will have to invest considerable amounts shortly in the new oil terminal which is to be erected at the end point of the Haifa-Tel Aviv oil pipe line.

To be sure, Delek also increased its share capital by ILR.2m. (to ILR.10m.) of which ILR.1m. came from profits distributed a year ago in the form of bonus shares.

**Some figures from Delek's balance sheets are given in the following summary:**

ILR.	ILR.	ILR.
Fixed assets	1,000	1,125
Stocks	1,000	1,075
Customer's advance payments	1,000	1,075
Debt balances	1,000	1,075
Current assets	1,000	1,075
Share capital and reserves	1,000	1,075
Current liabilities	1,000	1,075
Turnover	1,000	1,075
Profits	1,000	1,075

**Exhibitions to Aid Exports**

By DIANE SCHLOSS

ISRAEL has taken part in 35 international industrial fairs since the establishment of the State and has held four exhibitions of its own in New York, Montreal, Los Angeles and Turkey.

Fairs are becoming more popular everywhere in the world and more will take place this year than ever before.

The Central Committee is kept busy trying to promote the idea of fairs among local industrialists, who are often sceptical about the need to exhibit their wares abroad at considerable cost.

As far as Israel is concerned, the fairs are in no free competition with foreign fairs.

Mobile Exhibition in U.S.

The success of the Israel exhibition in Montreal last year will, it is hoped, be repeated by the first large Israeli mobile exhibition tour of the U.S. and visits Montreal.

This exhibition is a new way of launching an attack on the importers of America and Canada. It opens on May 21, and will tour Cleveland, Detroit and, after Montreal, the southern states of the U.S. in the autumn.

Containing five wings, the exhibition will give a comprehensive picture of Israel's light industry, her development, her scientific contributions and her artistic and cultural achievements in Israel.

Articles displayed are considered as having a market in the New World, such as diamonds, chocolate, gifts, books, cement, textiles, fashion goods, cosmetics, arts and crafts, WIZO articles, fertilizers and chemicals, plywood, lanterns, dried objects, perfume, candles, shoes, wines, bees, groundnuts and sewing machines.

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